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OCI No. 0301
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CENTRAL INTELLIGENCE AGENCY
OFFICE OF CURRENT INTELLIGENCE
24 September 1954

TO: Deputy Director (Intelligence)

SUBJECT: Impending Brazilian Elections

1. Date: 3 October 1954.
2. Offices to be filled: All seats (326) in the national chamber of deputies; two thirds of the senate seats (42 of 63 seats); most state governors.
3. Parties participating: Not definitely known, but presumably all twelve parties now represented in the national legislature and probably others. The 12 parties are: Right - Democratic Christian Party (PDC), Liberator Party (PL), Popular Representation Party (PRP), Republican Party (PR). Center: Social Democratic Party (PSD), Democratic National Union (UDN), Progressive Social Party (PSP), Social Workers' Party (PST), Republican Workers' Party (PRT), National Workers' Party (PTN). Left: Brazilian Workers' Party (PTB), Brazilian Socialist Party (PSB). Petition of eligibility for Communist-front Brazilian Democratic Alliance still under consideration. Communist Party is illegal but is active in support of "popular candidates" on other tickets and has placed several overt Communists on the Labor Party (PTB) ticket in the key states of Sao Paulo and in Pernambuco.
4. Key Political figures: In the void left by the death of President Vargas, a number of previously eclipsed individuals may now play key roles. Most of the "key figures" are not running for office in these elections, but loom large as strategists and as candidates for the 1955 presidential election. They are: Former finance minister Oswaldo Aranha believed to be "masterminding" the campaign of the Labor Party (PTB); Joao Goulart, a former labor minister under Vargas, secretary of the Labor Party, builder of Communist strength in the Labor Party, possible rival of Aranha; General Eduardo Gomes, perennial presidential candidate of the Democratic National Union, now air minister; Adhemar de Barros leader of the Progressive Socialist Party (PSP), former governor of the key state of Sao Paulo

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and again a candidate for this post, determined presidential hopeful; Joao Cafe Filho, president of Brazil since 24 August 1954, treading a tightrope between the powerful demagogic propaganda of leftists and the need for a national economic and political house-cleaning. Overshadowing all other figures is the ghost of the late "indispensable" and nationalistic President Vargas.

5. Principal issues: There are no principal issues in the usual sense. Brazil's tradition of "personality politics" has made the late President Vargas the chief issue, with all sides now pinning their political futures on their ability to either arrogate his name or to destroy it. Vargas' sympathizers, his Labor Party, and the Communist Party capitalizing on the current economic unrest are campaigning against the "reactionary" forces now in control in control. Their chief weapon is Vargas' "farewell letter" which carries anti-American, nationalistic and pro-labor implications. The government, representing the center parties, is releasing evidence of corruption and "treachery" among those exploiting Vargas' name. The government has also announced the need for an economic "austerity" program but this has not yet figured prominently in the campaign.
6. Present party strength:

(1950 elections)	<u>Chamber of Deputies</u>	<u>Senate</u>
Social Democratic Party (PSD)	35 percent	47 percent
Democratic National Union (UDN)	25 "	19 "
Brazilian Labor Party	20 "	11 "
Progressive Social Party	9 "	9 "
Republican Party	3 "	6 "
Independents	2 "	1 "
Others	6 "	7 "
7. Principal factors influencing the outcome: State and local inter-party deals and coalitions, many of which are still fluid, will probably be the chief factor influencing the outcome. The success of government attempts to discredit segments of the Vargas inner circle and to disqualify Communist-sponsored "popular candidates" will also be important.
8. Outcome of other relevant recent elections: No important elections since 1950.

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9. Informed opinions: The outcome of the election is wholly unpredictable. With Vargas' death, the field for the 1955 election is wide open and most key politicians appear to be hastily rearranging their affairs with that fact in mind. Prospects for a stable pro-government coalition in congress are therefore still uncertain. President's fourth-ranking Popular Socialist Party may gain as may Vargas' third-ranking Labor Party (PTB).
10. Probable significance for US security interests: Significant gains for the Labor Party (PTB) or for "popular candidates" on other tickets would represent an indirect gain for the Communists and a direct gain for nationalism. Such gains would probably point to continued political unrest and to continued difficulties in solving Brazil's financial crisis. Outcome of the gubernatorial races will be crucial in next year's campaign for the presidency.

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